

Regional Security Conference Southeast, Orlando, FL

Security Distributing & Marketing®

A CAHNERS PUBLICATION

MARCH 1992

On Line:
J. Stewart Jackson

Gas Station
Security

Multi-Duty
Control Panels

Third-Party
Product Testing

Put Computers
to Work for You



NATION-
BURGLAR &
FIRE ALARM

SECURING
AMERICA



Security Distributing & Marketing®

A Cahners Publication

Volume 22, No. 3

March 1992

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ABOUT THE COVER

Computers not only streamline your business operations but they allow you to better serve your customers. Ray Johnson, service technician for Ridley-York Electronics, Tulsa, OK, uploads data from an in-field alarm panel, using a personal computer. For more on using computers, turn to page 78.

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Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206. Phone 303/736-4511. Second class postage paid at Denver, CO 80206 and additional mailing offices. Postmaster: Send address corrections to SECURITY DISTRIBUTING & MARKETING, P.O. Box 174377, Denver, CO 80217-3377. Security Distributing & Marketing® copyright 1991 by Reed Publishing USA, Robert L. Kraloff, Chairman and Chief Executive Officer. Annual subscription rates for non-qualified people: USA, \$69.95/1 yr.; Canada, \$128.35/1 yr.; Mexico, \$119.95/1 yr.; other countries, \$149.95 for surface mail and \$224.95 for air mail. Single copies are available for \$15, \$20, \$20, and \$25 (USA, Canada, Mexico, and foreign). Product & Service Locator (Buyers Guide) is available for \$50, \$75, \$75, and \$100 (USA, Canada, Mexico, and foreign). Please address all subscription mail to Security Distributing & Marketing®, 44 Cook St., Denver, CO 80206. Security Distributing & Marketing®, and SDM® are registered trademarks of Reed Properties Inc., used under license.

Put Computers To Work for You

Serve your customers better and streamline your business operations with a personal computer.

By Allan B. Colombo
Associate Editor, SDM

An alarm dealer's typical day might consist of business administration in the morning, installation and/or service in the afternoon, residential sales in the evening, and accounting duties during free time. The result is a balancing act that ultimately reduces a dealer's productive work time—and diminishes his profit potential.

Personal computers can change that by helping dealers regain control of their business operations. By taking full advantage of a computer's capabilities, dealers can go a step further and use them to create the professional efficiency and appearance that lead to growth.

"The computer is a tool, it is my constant, immediate memory with total recall," says Steve York, president of Ridley-York Electronic Systems, Tulsa, OK. Personal computers help Steve York to administrate his business better. Technicians, like Ridley-York's Roy Johnson (see cover), use them to upload/download account information and event-buffer memory to and from in-field alarm panels. In addition, PCs allow Johnson and his staff to:

- store, and make readily available, large amounts of customer information to key persons in his organization.
- produce professional-looking estimates, proposals, and letters.
- maintain accurate inventories.
- write purchase orders to replenish stock.



Photo: Christopher Weeks



Steve York, president of Ridley-York Electronic Systems, Tulsa, OK, helps a customer solve a billing problem on the telephone by examining the account receivable files on the computer.

- write work orders.
- bill customers.
- track false alarm problems.
- create status reports.
- perform general accounting tasks.

Look like a pro

"Computers are little resident secretaries for salesmen that standardize [and professionalize] client presentation forms," says Steve York. "Customers expect industry suppliers to be in tune with changes in computer technology. Without a computer, you're doing business the way business was done 20 years

ago—and that's not acceptable anymore."

Personal computers give documents a more professional appearance and they save dealers time. They don't have to be elaborate networked systems either. With the proper software, a single personal computer can make a major difference for a small dealership.

"I bought my word processor so I could make proposals, especially for my larger customers," says Marc Johnson, president of Modern Security Systems Inc., Tocomo, WA. "The computer gives them a more clean and professional appearance."

While producing professional-looking proposals is important, making a sale often relies heavily on how quickly a salesman can put a proposal together. This is particularly critical when you are trying to out-manuever your competitors for a job.

This is where computers can play a significant role.

The integrated software used at Ridley-York is an example of how computers can facilitate the proposal preparation process. However, the same level of efficiency can be accomplished on a single personal computer.

At Ridley-York, customer cost is determined by how much business the customer does with the company. This information, along with parts numbers, parts costs, and labor costs, all are stored in the computer's data base.

To prepare a proposal, a Ridley-York sales engineer simply enters the customer's name and address, a listing of

parts numbers, and parts descriptions and unit costs. The computer automatically calculates the total cost for the job.

York's program allow his salesmen to enter comments to clarify material, labor, and other details of a proposed installation. "This basically is a word processing function," says Steve York. "There also is a section where the terms of a sale are inserted."

The data base software also allows a dealer to track sales performance by generating sales reports. "I have a running record of the jobs I've quoted," says Steve York. "With it, I can mark the jobs I've sold, versus those I haven't sold." By placing this information in a separate spread sheet, dealers can track their sales performance.

In a complete proposal, alarm dealers often include hand-drawn floor plans. This graphic representation makes it easier for the customer to understand the proposed system. It also establishes a permanent record of the equipment a dealer intends to supply and eliminates confusion during installation.

But, it takes time to hand draw floor plans. A PC, equipped with a simple computer-assisted drawing (CAD) program can produce a professional-looking drawing in a fraction of the time it takes to draw one by hand.

"Computer assisted drawing (CAD) programs give our firm's proposals a more professional appearance," says York sales engineer Dan Landis. "They also leave no question as to what our company is going to supply." For example, Landis usually sketches a rough floor plan when he visits a prospective customer. When he returns to the office, he gives the sketch to the person who operates the CAD software.

"I then lay the floor plan out—I recreate it—as the salesman explains where he wants each device on the drawing," says Kevin Pffar. The finished drawing is presented to the customer, along with the rest of the proposal.

Drawings are made using a mouse or a combination mouse and digitizer pad. Digitizer pads expand a mouse's capa-



Photo: Christopher Weeber

 A computer-assisted drawing (CAD) program, helps Kevin Pffar, CADsman for Ridley-York Electronics, draw a detailed, two-story floor plan for a soon-to-be homeowner.

bilities. The pad and mouse interact with one another as the mouse is maneuvered over a template of commands. "It's the mouse that actually draws the lines on the computer screen," says Pffar.

Digitizer pads also are used to trace existing floor plans. "There's a com-

mand called "trace mode" that allows me to trace an existing floor plan. I set the program to a specified scale, then I use the [digitizer's] mouse to set each point of each line on the drawing."

Besides drawing lines on the monitor, the buttons on top of conventional mouse-and-digitizer units can be used to select and replicate drafting commands. They also can perform according to the parameters specified by the CAD program. For example, objects can be copied or moved using a "grab" and "drop" command. The "zoom" command permits users to draw or modify extremely detailed portions of drawings.

CAD programs also come with symbol libraries. Ridley-York, for example, developed their own symbol library by drawing small icons and compiling them in a file of their own.

Instant information

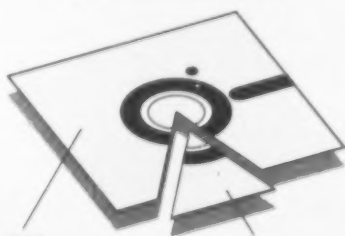
When dealers first establish a business, they often store customer information in their heads. When making service calls, for example, they automatically know the make and model of a customer's alarm panel, whether the last bill was paid, whether the account is monitored, and the central station account number. These things get tough to keep track of as your company grows.

"Anybody operating a service-related business has a tremendous amount of customer contact. You have to have instant information," says Steve York. "There isn't any way to store all of this in your head."

Storing information in file cabinets usually works for a while. However, this method becomes slow and cumbersome as the amount of stored information grows. "If I stopped and pulled a customer file every time I got a phone call, I would probably spend all my time in front of a file cabinet. Our customers would be perpetually on hold," Steve York says. It's this file-folder phase of a company's history that personal computers can eliminate.

"When customers call, I can pull their information up on my computer. I have

Dealers overwhelmingly use personal computers



Dealers are discovering the advantages of putting a PC to work in their own business.

*Computers provide instant information when customers call.
They also save time by computing and printing invoices.*

their address, phone number, account number, and central station information," says June Hartman, owner of Hartman Electronics, Chalmette, LA. Instantly she knows who the customer is, what kind of alarm they have, and other pertinent facts.

Data bases that contain customer information are particularly helpful to dealers who, like Hartman, use a national or regional monitoring station to monitor their customers' alarm systems. When an alarm takes place, for example, it is common practice to have the monitoring company call the dealer after the authorities, call list, and subscriber list have been notified. Once notified, a customer-information data base allows a dealer to quickly call his customer and have an informal discussion about the alarm problem.

Having up-to-date customer information also helps when clients call with service questions, problems, or billing concerns. "I can tell how old the customer is, see past invoice transactions, and know if they've rolled over and refused to pay a bill in the past," says Steve York.

A quick check of a customer's account can help turn a "non-paying customer" into a "paid-up customer." If the customer is in arrears, for example, an informed dealer can insist on up-front payment of a past-due invoice, as well as

the yet-to-be-performed service.

Reputable alarm dealers will occasionally forgive an unpaid invoice when a customer has a legitimate complaint. However, some people create stories to get out of paying their bills. "Using my computer, I can tell if we issued credits against an account as further adjustments on a previous invoice," says Steve York. "If you have a thousand accounts, there is no way to remember which cus-

tomers you gave a credit to—six months ago, a year ago, or two years ago."

Now, equipped with the customer's historical information, he can explain Ridley-York's payment policy, reiterating the need for payment after service is rendered.

Information integration

Most dealers will start with a data base program for their customer information and a spreadsheet program to perform their accounting functions. While this is the approach that most dealers can afford, you should be aware that these separate programs can't always share data. As a result, you may find yourself entering data twice. This generally isn't a problem until you get a sizable customer base.

Then it might be wise to consider an integrated accounting package. These packages save time by requiring dealers to enter information only once. For example, when cus-

tomers call Ridley-York for service, they first talk to someone in the front office. Their account information is automatically accessed and the caller's name, address, and phone number are verified. If possible, they then are transferred to the service or installation manager.

"I then use my PC to examine the customer's account," says Darren Waugh, service manager for Ridley-York. "I make sure that the customer information is correct. It also saves me the trouble of looking up their name and address in a file cabinet."

In larger companies, computer systems that are networked and fully integrated enable employees in various departments to share information. This type of system also enables all the software modules in the system (see illustration) to share customer data.

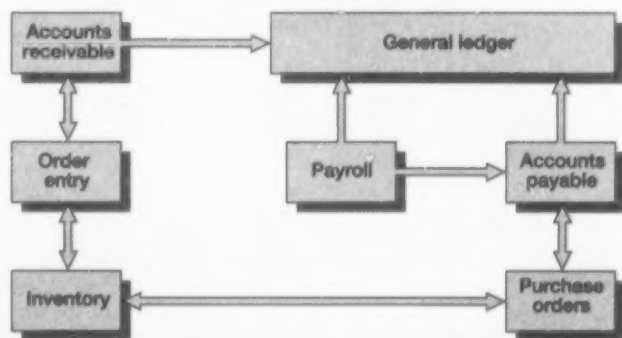
For example, customer information contained in an accounts receivable module is linked with an order-entry module. This permits employees to check a customer's credit status—before additional work is performed.

If a caller's credit is good, the customer's name, address, phone number, and other pertinent information are copied from the accounts receivable section and placed on an on-screen work order



Darren Waugh, service manager for Ridley-York, verifies a customer's name, address, phone number, and account status—before he dispatches a service technician.

Integrating data-base modules



Information commonly flows between the many software modules in an integrated system. Dealers benefit because they need enter information only once.

Customer service calls and historical information are automatically stored in computer data bases for later examination.

form. A hard copy of the order then is printed.

However, if a caller requesting service has failed to pay a past invoice, Waugh immediately pulls the service order. "I then contact the customer and find out why they didn't pay their bill," says Waugh. "If they can pay it COD, we come out and collect what they owe, as well as what they will owe us when we're done servicing their system." On the other hand, if the customer cannot pay their bill, service is placed on hold until the problem is resolved.

The order entry module of an integrated software package is used to create a work order. This feature of the software automatically accesses information from the inventory data base. "I know right away whether the parts I need are in stock or whether I have to order them," says Waugh.

"Computers also have helped increase our cash flow by billing jobs when they're done," says Steve York. As Ridley-York technicians complete their service calls, work orders are given to Waugh. The parts used, and other pertinent information, are posted in the accounts receivable file by the end of the current or following day. An invoice then is gener-

ated and sent to the customer.

Computer systems of any size can help dealers by assembling reports that enable them to keep a better eye on business. Weekly service reports, for example, enable service managers to assure that customers receive follow-up service.



Judy York, VP and office administrator for Ridley-York, takes time out of her busy day to learn a new software program that was recently installed in her PC.

"A weekly service report enables me to check which service calls were completed and those that were not completed," says Frank Claxton, operations manager for Fire & Security Systems Inc., Arlington Heights, IL.

Managers also use computer-generated reports to verify whether money is actually being made. "At the end of a job I know how much inventory and time it took to do the job," says Claxton. "I then know what the profit was on the job."

Reports also inform dealers, in a global fashion, how their businesses are performing. "We run income and balance sheets every 30 days so we know what our financial position is at all times," says Steve York. "In 1991, computers helped to limit our lost unpaid revenues. Out of approximately \$1,497,000 in sales, we collected \$1,494,900. I consider that a significant accomplishment." **SDM**

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Buying the right hardware

Dealers who visit computer stores to buy their first computer often are confused when salesmen bombard them with computer slang and technical jargon. For example, Marc Johnson's first computer was an IBM-compatible XT. Johnson is president of Modern Security, Tacoma, WA. It provided adequate service for a short while, but it wasn't long before he had to purchase a larger model with more processing speed, memory capacity, and expandability.

An understanding of computer hardware begins with an assessment of the various computers available. The industry, for example, has labeled personal computers according to the microprocessor type used.

The two most popular stand-alone

personal computers are the XT and AT and their clones. The XT (e"X"tra "T"echnology) uses the 8088 microprocessor with a processing speed of 6 to 12 MHz. This is relatively slow by today's standards.

The AT ("A"dvanced "T"echnology), provides faster processing speeds. For example, the 286 AT model uses an 80286 microprocessor with clock speeds of 12 to 20 MHz. The 386 and 386SX models use the 80386 microprocessor with a clock speed of up to 33 MHz. The 386SX, however, allows the use of less costly 286 electronic peripherals. These components interface the microprocessor chip to the remainder of a computer.

The XT, 286, and 386SX will usually accommodate most accounting, spread sheet, word processing, general data-base, and some of the

smaller CAD programs. However, large CAD programs require a math co-processor. This is simply an additional circuit that performs the elaborate math calculations required by these larger CADs.

The fastest PC of all, the 486 and 486DX, use the 80486 microprocessor that operates at clock speeds of up to 50 MHz and will accommodate any program that a dealer uses, including large CAD programs without an additional math co-processor.

RAM (random access memory) and program storage (hard-drive) capacity also are factors to be considered. Models using 640 kbytes of RAM, for example, will easily accommodate single-use software programs. Large integrated software programs, however, usually require a minimum of 1 Mbyte.

SDM Update

Statistics on market conditions and trends

No recession for business security

By Laura E. Stepanek
Senior Editor, SDM

From banks to offices to schools to stores, business executives with responsibility for security must stick to a budget to protect their company's property and employees. Based on a study of 149 readers of *Security Magazine* the average annual security budget in 1991 was \$321,000.

Security companies are the potential recipients of 60% of those budgeted dollars. In fact, out of every dollar spent last year, 13 cents bought new equipment installations, 11 cents went to equipment replacement, 16 cents to maintenance and repair, and 20 cents to services, such as monitoring and guards. The remainder, 40 cents, is used for in-house security personnel and overhead.

When security directors were asked which one expenditure will increase the most, 25% of respondents indicated it would be new equipment installations. New equipment was named by more respondents than any other expenditure.

Other good news for security dealers is that the majority of end-users expect their '92 security budgets to be either higher or the same as their '91 budgets, despite unimproved economic conditions. Only 12% reported that their '92 budget will be lower than '91.

When asked about budgets for '93, 56% of survey respondents expect them to be the same and 31% expect to be able to work with more money.

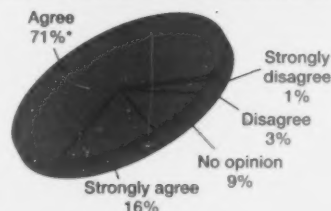
Tailoring security for a budget

Understanding the concerns and financial limitations of non-residential security users can help you effectively market and sell your products and services. For example, although the average annual security budget is \$321,000, a fourth of security directors operate with less than \$25,000 annually.

When asked which security-related developments during 1991 caused the most concern at their companies, the top three responses were: employee theft, cited by 58%; an increase in property crime, mentioned by 44%; and substance abuse, noted by 34%. **SDM**

Bright outlook for spending

Dealers were asked to agree or disagree: "By 1996, investment in security by businesses will increase."

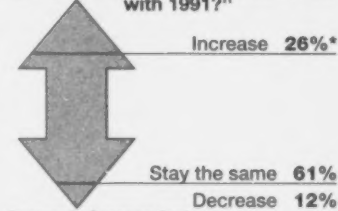


*percent of dealers
Source: SDM1992 Forecast study, Nov. 1991

Nearly 9 in 10 SDM readers expect U.S. businesses to spend more money on security over the next four years.

Status quo for most budgets

Security purchasers were asked, "How do you expect your security budget to change in 1992 compared with 1991?"



*percent of respondents
Source: SECURITY Magazine, 1992 Forecast study, Nov. 1991

This year's budgets for security products and services are positive for 87% of non-residential end-users.

Top seven 1991 purchases

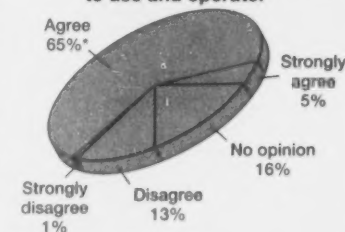
- 1 Locking hardware
- 2 CCTV
- 3 Access controls
- 4 Radio communications
- 5 Security lighting
- 6 Indoor intrusion detection
- 7 Fire protection

Source: SECURITY Magazine, 1992 Forecast study, Nov. 1991

Access control and CCTV are among the top three products purchased by security end-users last year.

Technology works for users

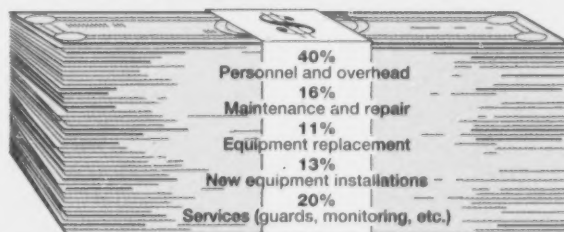
Security directors respond: "Security systems in this company are easy to use and operate."



*percent of respondents
Source: SECURITY Magazine, 1992 Forecast study, Nov. 1991

Seven in 10 non-residential security users agree that security systems at their companies are easy to use.

How security dollars are spent



Source: SECURITY Magazine, 1992 Forecast study, Nov. 1991

Alarm companies get a portion of each end-user's pie, with 40% of every dollar going to equipment installation, replacement, repair or maintenance.